

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Revocation of the Collection  
3 Agency License of:

4 **A & S COLLECTION ASSOCIATES, INC.**  
5 2847 VT Rt 14  
6 Williamstown, Vermont 05679

Respondent.

No. 09F-BD005-BNK

**NOTICE OF HEARING AND  
COMPLAINT**

**RECEIVED**

AUG 05 2008

O.A.H.

7 PLEASE TAKE NOTICE that, pursuant to Arizona Revised Statutes ("A.R.S.") §§ 6-138  
8 and 41-1092.02, the above-captioned matter will be heard through the Office of Administrative  
9 Hearings, an independent agency, and is scheduled for September 11, 2008, at 9:00 a.m., at the  
10 Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix, Arizona, (602) 542-  
11 9826 (the "Hearing").

12 The purpose of the Hearing is to determine if grounds exist to suspend or revoke  
13 Respondent's collection agency license; to order any other remedy necessary or proper for the  
14 enforcement of statutes and rules regulating collection agencies in Arizona pursuant to A.R.S. §§ 6-  
15 123 and 6-131; and to impose a civil money penalty pursuant to A.R.S. § 6-132.

16 Pursuant to A.R.S. § 6-138, the Superintendent of Financial Institutions for the State of  
17 Arizona (the "Superintendent") delegates the authority vested in the Superintendent, whether implied  
18 or expressed, to the Director of the Office of Administrative Hearings or the Director's designee to  
19 preside over the Hearing as the Administrative Law Judge, to make written recommendations to the  
20 Superintendent consisting of proposed Findings of Fact, Conclusions of Law, and Order. The Office  
21 of Administrative Hearings has designated Lewis Kowal at the address and phone number listed  
22 above, as the Administrative Law Judge for these proceedings. Pursuant to Arizona Administrative  
23 Code ("A.A.C.") Rule 2-19-104 and A.R.S. §§ 41-1092.01(H)(1) and 41-1092.08, the  
24 Superintendent retains authority to enter orders granting a stay, orders on motions for rehearing, final  
25 decisions pursuant to A.R.S. § 41-1092.08 or other order or process which the Administrative Law  
26 Judge is specifically prohibited from entering.

1 Motions to continue this matter shall be made in writing to the Administrative Law Judge **not**  
2 **less than fifteen (15) days** prior to the date set for the Hearing. A copy of any motion to continue  
3 shall be mailed or hand-delivered to the opposing party on the same date of filing with the Office of  
4 Administrative Hearings.

5 A.R.S. § 41-1092.07 entitles any person affected by this Hearing to appear in person and by  
6 counsel, or to proceed without counsel during the giving of all evidence, to have a reasonable  
7 opportunity to inspect all documentary evidence, to cross-examine witnesses, to present evidence  
8 and witnesses in support of his/her interests, and to have subpoenas issued by the Administrative  
9 Law Judge to compel attendance of witnesses and production of evidence. Pursuant to A.R.S.  
10 § 41-1092.07(B), any person may appear on his or her own behalf or by counsel.

11 Pursuant to A.R.S. § 41-1092.07(E), a clear and accurate record of the proceedings will be  
12 made by a court reporter or by electronic means. Any party that requests a transcript of the  
13 proceedings shall pay the cost of the transcript for the court reporter or other transcriber.

14 Questions concerning issues raised in this Notice of Hearing should be directed to Assistant  
15 Attorney General Erin O. Gallagher, (602) 542-8935, 1275 West Washington, Phoenix, Arizona  
16 85007.

#### 17 **NOTICE OF APPLICABLE RULES**

18 On February 7, 1978, the Arizona Department of Financial Institutions (the "Department")  
19 adopted A.A.C. R20-4-1201 through R20-4-1220, which were amended September 12, 2001, setting  
20 forth the rules of practice and procedure applicable in contested cases and appealable agency actions  
21 before the Superintendent. The hearing will be conducted pursuant to these rules and the rules  
22 governing procedures before the Office of Administrative Hearings, A.A.C. R2-19-101 through  
23 R2-19-122. A copy of these rules is enclosed.

24 Pursuant to A.A.C. R20-4-1209, Respondent shall file a written answer **within twenty (20)**  
25 **days** after issuance of this Notice of Hearing. The answer shall briefly state the Respondent's  
26 position or defense and shall specifically admit or deny each of the assertions contained in this

1 Notice of Hearing. If the answering Respondent is without or is unable to reasonably obtain  
2 knowledge or information sufficient to form a belief as to the truth of an assertion, Respondent shall  
3 so state, which shall have the effect of a denial. Any assertion not denied is deemed admitted.  
4 When Respondent intends to deny only a part or a qualification of an assertion, or to qualify an  
5 assertion, Respondent shall expressly admit so much of it as is true and shall deny the remainder.  
6 Any defense not raised in the answer is deemed waived.

7 **If a timely answer is not filed, pursuant to A.A.C. R20-4-1209(D), Respondent will be**  
8 **deemed in default** and the Superintendent may deem the findings in this Notice of Hearing as true  
9 and admitted and the Superintendent may take whatever action is appropriate, including suspension,  
10 revocation, denial of Respondent's license or affirming an order to Cease and Desist and imposition  
11 of a civil penalty or restitution to any injured party.

12 Respondent's answer shall be mailed or delivered to the Arizona Department of Financial  
13 Institutions, 2910 North 44th Street, Suite 310, Phoenix, Arizona 85018, with a copy mailed or  
14 delivered to the Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix,  
15 Arizona 85007 and to Assistant Attorney General Erin O. Gallagher, Consumer Protection &  
16 Advocacy Section, Attorney General's Office, 1275 West Washington, Phoenix, Arizona 85007.

17 **Persons with disabilities may request reasonable accommodations such as interpreters,**  
18 **alternative format or assistance with physical accessibility.** Requests for accommodations must  
19 be made as early as possible to allow time to arrange the accommodations. If accommodations are  
20 required, call the Office of Administrative Hearings at (602) 542-9826.

## 21 22 FACTS

23 1. Respondent A & S Collection Associates, Inc. ("A&S") is authorized to transact  
24 business in Arizona as a collection agency, license # CA-0904669, within the meaning of A.R.S. §§  
25 32-1001, *et seq.* The nature of A&S's business is that of soliciting claims for collection and  
26 collection of claims owed, due, or asserted to be owed or due within the meaning of A.R.S. § 32-

1 1001(A)(2)(a).

2       2.       On December 18, 2007, the Department received a collection agency license renewal  
3 application ("Application") for A&S. Question #4 of the application lists the current ownership as  
4 Ronald Saldi, Jr., President and 100% owner. The Application also lists the top five officers and  
5 directors in Question #6 as Ronald Saldi, President, and Jean Adams, Vice President. The  
6 Application was signed by Ronald Saldi on December 10, 2007.

7       3.       On April 16, 2008, Jack Watson, Senior Examiner at the Department, received an e-  
8 mail. The e-mail contained a link to an article from The Barre Montpelier Times Argus. The article  
9 is titled "Statewide sweep nets alleged drug dealers Several hail from central Vermont". The article  
10 states that the police arrested forty three-year-old Ronald Saldi and that Ronald Saldi was being  
11 prosecuted by federal authorities. The e-mail also alleges that A&S was changing ownership from  
12 Ronald Saldi to his daughter, Nicole Saldi.

13       4.       On April 21, 2008, the Department sent a written request for information to A&S  
14 regarding the alleged change of control and for copies of "Transfer Agreement," "Stock Transfers"  
15 and a copy of the minutes.

16       5.       On April 28, 2008, the Department received a copy of the "Special Meeting of the  
17 Shareholders and Directors of A&S Collections, Inc." that was held June 19, 2007. The Special  
18 Meeting notes state that the Board of Directors consented to the transfer of the shares of stock held  
19 by Ronald Lambert Saldi, Jr. to Nicole Saldi. The Special Meeting notes were signed by Jean  
20 Adams, Secretary; Ronald Lambert Saldi, Jr., Sole Shareholder and Director; and Nicole Saldi,  
21 Director.

22       6.       On April 28, 2008, the Department received a copy of the "Stock Purchase  
23 Agreement" dated June 19, 2007, signed by Ronald Lambert Saldi, Jr., seller, and Nicole Saldi,  
24 purchaser. The Stock Purchase Agreement states, "Seller owns 100% of the issued and outstanding  
25 shares of common stock of A&S...evidenced by Stock Certificate No. 5 for 10 shares." The Stock  
26 Purchase Agreement also states the "Purchaser desires to acquire from Seller ten (10) shares of the

1 Company's Common Stock."

2 7. On April 28, 2008, the Department received a copy of Stock Certificate #5 in the  
3 name of Ronald Lambert Saldi, Jr. for ten shares, dated January 1, 2005. The Department also  
4 received a copy of Stock Certificate #6 in the name of Nicole Saldi for ten shares, dated June 19,  
5 2007.

6 8. A&S did not request or obtain prior written approval for a change of control as  
7 required pursuant to A.R.S. § 32-1026(B).

8 9. A&S was not honest or truthful when completing the Application.

9 10. A&S did not notify the Department of the change of its officers within ten (10) days  
10 as required pursuant to A.A.C. R20-4-1502(A).

11 LAW

12 1. Pursuant to A.R.S. Title 6, Chapter 12 and Title 32, Chapter 9, the Superintendent has  
13 the authority and duty to regulate all persons engaged in the collection agency business and with the  
14 enforcement of statutes, rules, and regulations relating to collection agencies.

15 2. By the conduct set forth above, A&S has violated the following:

16 a. A.R.S. § 32-1026(B), by conducting a change in control of A&S without prior  
17 approval of the Superintendent; and

18 b. A.A.C. R20-4-1502(A), by conducting a change in the officers and directors and  
19 failing to notify the Department within ten (10) days of the change.

20 3. The violations of applicable laws, set forth above, constitute grounds to suspend or  
21 revoke A&S's collection agency license, number CA-0904669, pursuant to A.R.S. § 32-1053(A)(3).

22 4. By knowingly completing and submitting to the Department a renewal application  
23 that stated the incorrect ownership of the company, Respondent has shown that Ronald Saldi and  
24 Nicole Saldi are not persons of honesty, truthfulness or good character, which constitutes grounds to  
25 suspend or revoke A&S's collection agency license pursuant to A.R.S. § 32-1053(A)(2).

26 5. By stating the incorrect ownership of the company on its renewal application,

1 Respondent has made a material misstatement on the application for a license, required to be filed  
2 with the Superintendent pursuant to A.R.S. § 32-1025(A), which constitutes grounds to suspend or  
3 revoke A&G's collection agency license pursuant to A.R.S. § 32-1053(A)(6).

4 6. The violations, set forth above, constitute grounds for the pursuit of any other remedy  
5 necessary or proper for the enforcement of statutes and rules regulating collection agencies in  
6 Arizona pursuant to A.R.S. §§ 6-123 and 6-131.

7 7. Pursuant to A.R.S. § 6-132, Respondent's violations of the aforementioned statutes  
8 are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation.

9 WHEREFORE, if after a hearing, the Superintendent makes a finding of one or more of the  
10 above-described violations, the Superintendent may suspend or revoke A&S's collection agency  
11 license pursuant to A.R.S. § 32-1053; order any other remedy necessary or proper for the  
12 enforcement of statutes and rules regulating collection agencies in Arizona pursuant to A.R.S.  
13 §§ 6-123 and 6-131; and impose a civil money penalty pursuant to A.R.S. § 6-132.

14 DATED this 8 day of August, 2008.

15 Felecia A. Rotellini  
16 Superintendent of Financial Institutions

17 By [Signature]  
18 Robert D. Charlton  
19 Assistant Superintendent of Financial Institutions

20  
21 ORIGINAL of the foregoing filed this 5th  
22 day of August, 2008, in the office of:

23 Felecia A. Rotellini  
24 Superintendent of Financial Institutions  
25 Arizona Department of Financial Institutions  
26 ATTN: Susan Longo  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

1 COPY mailed same date to:

2 Lewis Kowal, Administrative Law Judge  
3 Office of the Administrative Hearings  
4 1400 West Washington, Suite 101  
5 Phoenix, AZ 85007

6 Erin O. Gallagher, Assistant Attorney General  
7 Office of the Attorney General  
8 1275 West Washington  
9 Phoenix, AZ 85007

10 Robert D. Charlton, Assistant Superintendent  
11 Richard Fergus, Division Manager  
12 Arizona Department of Financial Institutions  
13 2910 N. 44<sup>th</sup> Street, Suite 310  
14 Phoenix, AZ 85018

15 AND COPY MAILED SAME DATE by  
16 Certified Mail, Return Receipt Requested, to:

17 A & S Collection Associates, Inc.  
18 Attn: Nicole Saldi, President  
19 2847 VT Rt 14  
20 Williamstown, VT 05679  
21 Respondent

22 A & S Collection Associates, Inc.  
23 Attn: Nicole Saldi, President  
24 PO Box 395  
25 Williamstown, VT 05679  
26 Respondent

A. Michael Bernstein, Statutory Agent For:  
A & S Collection Associates, Inc.  
2929 N. 44<sup>th</sup> Street #120  
Phoenix, AZ 85018

  
228421; PHX-AGN-2008-0384